

# AUTOMOTIVE AXLES LIMITED

06<sup>th</sup> February 2023

**The BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Scrip Code: 505010

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1, G- Block  
Bandra (E)  
Mumbai – 400 051  
Scrip Code: AUTOAXLES

**Attn: Listing Department**

Dear Sir/Madam,

**Sub: Investor Presentation for the Analyst / Institutional Investor Meeting under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.**

We are enclosing herewith the Investor Presentation of the 'Automotive Axles Limited 3QFY23 Financial Performance Discussion' scheduled to be held on **Monday, 6<sup>th</sup> February 2023 at 03:00 PM (IST)**.

This intimation is being provided in compliance with Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

This is for your information and records.

Thanking You

Yours truly,

**For Automotive Axles Limited**

**Debadas Panda**

**Company Secretary & Compliance Officer**

Encl: as above



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CIN : L51909KA1981PLC004198

ISO 9001:2015 / IATF 16949 : 2016, EMS : ISO : 14001:2015 & OHSAS : ISO : 45001 : 2018





**MERITOR**  
RUN WITH THE BULL



KALYANI



# AUTOMOTIVE AXLES LIMITED

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*6th February 2023*

# CUMMINS-MERITOR : BETTER TOGETHER



**Meritor**

*"We are excited to welcome Meritor's employees into Cummins. Together, Cummins and Meritor will move further and faster in developing economically viable decarbonized powertrain solutions that are better for people and our planet".*



Jennifer Rumsey  
Cummins' President and CEO

**The acquisition strengthens Cummins' industry-leading range of powertrain components and accelerates development of electrified power solutions.**

*"I warmly welcome Cummins as our new partner in Automotive Axles and Meritor HVS.*

*Bharat Forge has a long relationship with Cummins as a supplier and also user of their engines in our special products and we look forward to bigger relationship, now as partners in this venture and also as a supplier.*

*I wish the venture all success. Unfortunately, I am not able to personally be there to make this announcement jointly with Ms. Anjali Pandey of Cummins but look forward to this new relationship which will benefit all of us"*



Baba Kalyani  
Chairman, Bharat Forge Ltd.

# SNAPSHOT Q3 FY23



Particulars (Mn INR)	22-23 ( 9 M)	FY 21-22	FY 20-21	FY 19-20
Revenue	16343	14949	9126	9597
EBIDTA	1834	1389	729	1010
PBT	1501	1001	302	600



MANUFACTURING LOCATIONS – 4 Manufacturing sites

Mysore, Jamshedpur, Pantnagar & Hosur



EQUITY SHARE: Meritor Inc. & Cummins Inc., USA – 35.5%, Kalyani Group – 35.5%, Public – 29%



WORKFORCE - 2,000+ employees



CUSTOMERS – All major CV, specialty and defense OEMs



PRODUCTS – Axles, brakes and suspension systems



MARKET POSITION - #1 in Axles (independent) & #2 in Brakes



# SUSTAINABILITY ROAD MAP-M-2028

## Meritor India - Sustainability Road Map

### Excellence in Sustainability

- Achieving ISO 26000 for CSR assurance
- Projects for sustenance of all initiatives
- Deming Certification

2028

### Sustainability Certifications

- ISO 14067 standard (Carbon footprint) Certification
- Achieving ISO 14021 & 14024 (Green Product certification)

2026

### Sustainability Maturity

- Achieving ISO 50001:2011 Energy Management Systems
- JIPM award

2024

### Improvising Sustainable Parameters

- Achieving 70% reduction in CO2 Emissions
- Journey towards Carbon Neutral Status
- Achieving HSPPD certification

2022

### Sustainability initialization

- Road Map for Sustainability
- Strategic Goals & Objectives
- Developing Sustainability Manual

2020

- Clean water & sanitization
- Greenery development-Trees plantation
- Rainwater harvesting & Reuse

2018

### Carbon Neutral

- ISO 14067 standard (Carbon footprint) Certification
- Achieving ISO 14021 & 14024 ( Green Product certification )
- Achieving ISO 26000 for CSR assurance
- DEMING Excellence award

2027

### Sustainability Excellence

- ISO 14067 standard (Carbon footprint) Certification
- Water Positive ISO 46001 Certification

2025

### Green Manufacturing

- Achieving HSPPD certification
- Water Positive Status
- Innovating and developing Eco-friendly products

2023

### Initiatives for Basic Sustainability

- Achieving 70% Water Positive
- 30% Energy Efficient from current levels
- Solid Waste Reduction by 25% from current levels

2021

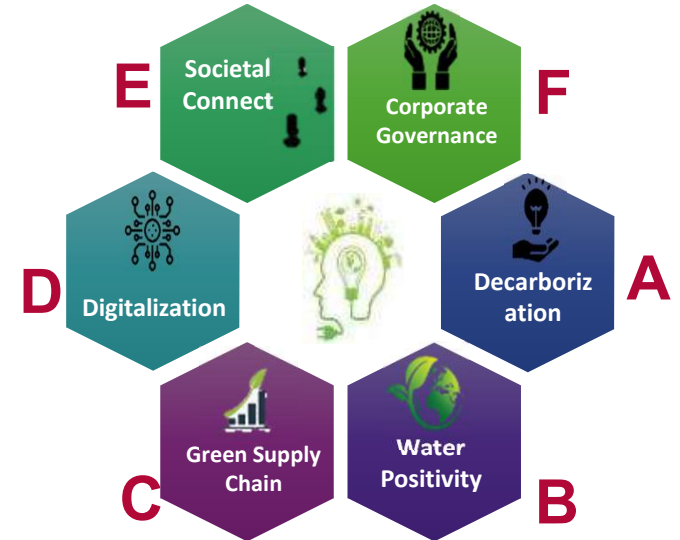
- 15% Energy saving projects
- Raw materials optimization
- Logistica –localization & optimization

2019

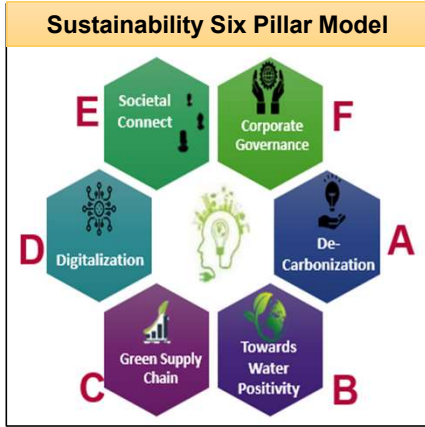
- Green energy introduction – 20% Solar
- Zero discharge Plant initiatives
- Water conservation programs

2017

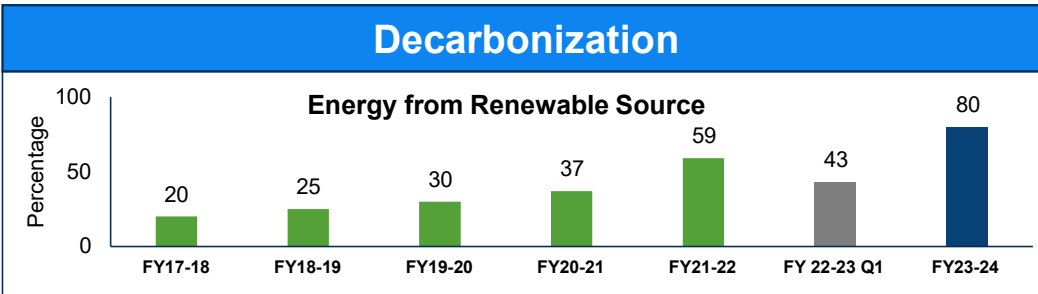
## SUSTAINABILITY SIX PILLAR MODEL



# CIRCULAR ECONOMY



Circular Economy is a frame work aiming at achieving Sustainability across end to end Supply chain



- Energy from Captive source – Solar energy
  - 7.5 MW supply started from Dec-22
- Replace LPG with LNG reduce cost & CO2 emission – Dec-23

SI#	ESG Initiatives	Sustainability Pillar Connect
1	Reducing packaging in Supply chain	A & B
2	Diversify and inclusion initiatives	C
3	End-Customer recycling	B & D
4	Renewable energy	A & B
5	Reduce emission in supply chain	A & B
6	Changing Sourcing Standards	A & B
7	Employee safety, health and fair treatment	F
8	Other social issues	E
9	Changing consumer preferences	E

# DIVERSE End Markets and Major Customers

## Diverse End Markets



## Major Customers

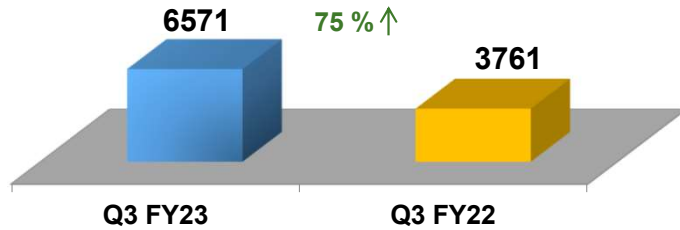


# FINANCIAL Results

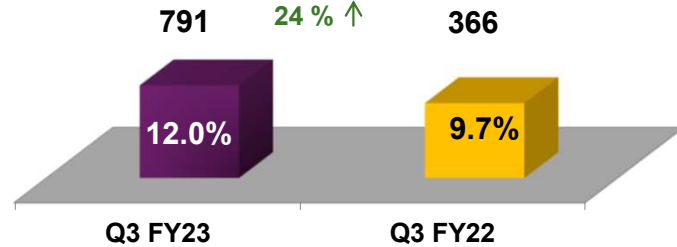
Values in INR Mn

## Q3 FY23 Performance

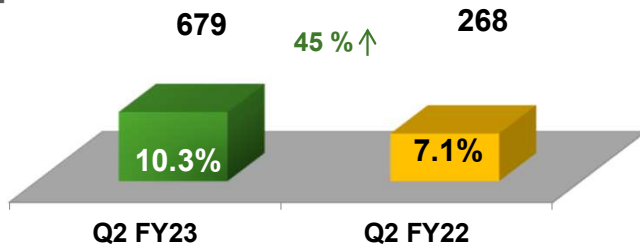
### Sales



### EBIDTA

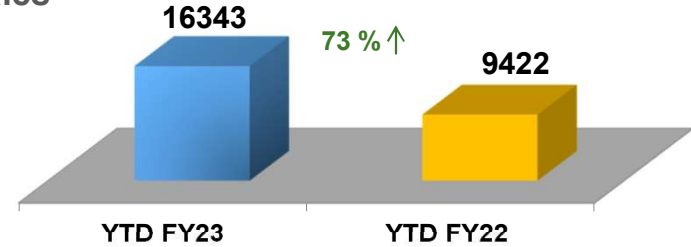


### PBT

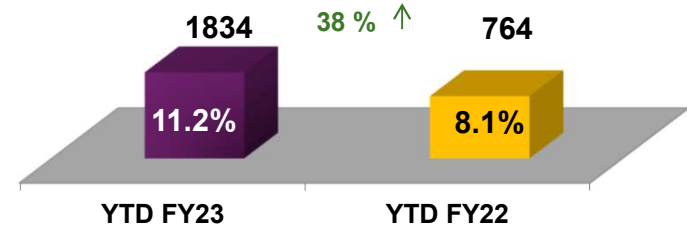


## 9 months FY23 Performance

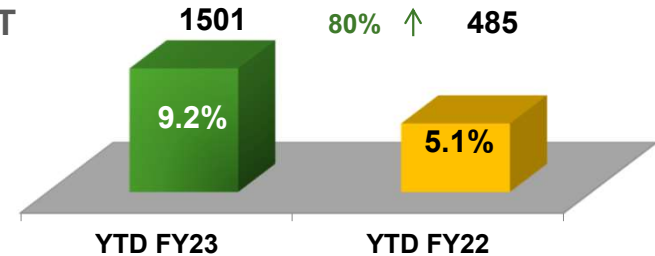
### Sales



### EBIDTA



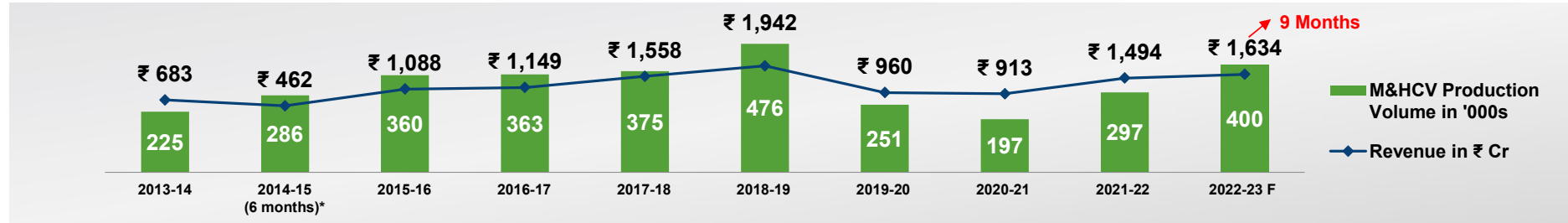
### PBT





# GROWTH through Mission 25 Strategy

## AAL Vs MHCV Market Growth



Mission 25 Focus	Status
Grow Revenue	On Track
Enhance Profitability	On Track
New Business Wins	On Track
Operations Excellence	On Track
Customer Value	On Track

**Focus**

- FY23:-Q4 demand estimated same level of Q3
- Commodity price softens however focus continues
- Focus on improving conversion and material cost performances.

# KEY ACTIONS to Manage Business Successfully

## Business Growth Strategy

- Successful implementation of LTA agreement
- Focus on export business opportunities
- Improve operational performance & Increase share of business with OE
- Product Development – Launch of New products
- Drive e-mobility business
- Digitalization – Implementation of Industry 4.0
- Geared up with capacity to cater to rising market demand



## Cost Measures

- Cost reduction measures at organization and plant level
- Continuous Focus on M 25 initiatives, and Significant savings expected through M2025 timeframe
- Further cost measures in place for Conversion, Material and Manpower cost control



## Safety Practices

- ESG strategy & implementation in progress
- Specific steps on to improve ESG standards and the reporting requirements.
- Focus on safety of employees continues though COVID pressure is low



# Awards & Recognitions – FY22

**Mahindra**  
Truck and Bus Division



**“ Best Supplier”  
in Supply chain  
Management**

This is a recognition of Meritor's commendable product development & delivery performance.

**ASHOK LEYLAND**  
Aapki Jeet. Hamari Jeet.



**“Gold award”  
Cost excellence”**

This is a recognition of Meritor's outstanding performance in Cost excellence area

**TATA MOTORS**



**“2<sup>nd</sup> best Supplier of  
the year”**

This is a recognition of Meritor's admirable performance in demand fulfilment of spare parts.

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**“Mysore – Brakes Main  
Assembly Online Poka  
Yoke”**

Implementation of a digital poke-yoke on brake shoe conveyor assly to reduce rework & inspection cost

**“Engineering Gold  
award”  
Industrialization of ISAS  
2000”**

Design & development with start of production in India to target light tactical & high

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**FY22 Gold Award  
Mysore, India  
Adjusting Locking Bolt Not  
Assembled**

**FY22 Gold Award  
Mysore, India  
Torque Data Traceability**

**FY22 Bronze Award  
Mysore, India  
Wrong Flange Half  
Assembly**



**FY22 – Quality Quad  
Award by DICV**

successfully achieved defect free component supply consistently

